

Gavin Esler—CIA mischief in Hawaii—

Investors lose a fortune in firm operated by the CIA

Gavin Esler tells the story of a CIA operation in Hawaii which could serve as a storyline for an episode in *Hawaii Five-O*, except that there is no scope for its square-jawed hero, Police Chief Steve McGarrett, to make everything all right.

Like any other upmarket financial consultancy, the Hawaiian firm of Bishop, Baldwin, Rewald, Dillingham and Wong had a company photograph taken. In the front row sit the chairman, Ron Rewald, and the president Sunny Wong. Mr Bishop, Mr Baldwin and Mr Dillingham are not in the picture because they do not exist. These are what Hawaiians call 'kamaaina' names—old-established family names in the islands used as part of the company name to give it spurious credibility.

Bishop Baldwin, which collapsed into bankruptcy last August, with \$22 million of investors' money allegedly gone missing, could have been a simple swindle: the chairman, Rewald, cheating naive investors. Instead, it was a major CIA intelligence front—what CIA Central Cover Staff at headquarters in Langley, Virginia, would call a 'proprietary'. It was a functioning company of some 40 or 50 people engaged in legitimate business activities to provide a cover for around ten CIA agents. How the operation fell apart and come to be mistaken for a confidence trick is a tale of lies and deceit which reveals how the new CIA under its director, William Casey, operates, and how covert operations are organised not, as is widely assumed, mainly through American embassies, but through private businesses.

Newsnight has uncovered hundreds of pages of documents and tape-recordings relating to Bishop Baldwin which show how it was used to spy on the President of the Philippines, steal high-technology plans from Japan and sell arms

clandestinely to Taiwan. The story links together three CIA station chiefs, an American four- and a three-star general and one of the ten richest bankers in the world, a Filipino called Enrique Zobel. On the sidelines are 400 investors who provided the cover for CIA operations and have now lost their money.

Ron Rewald came to Hawaii in 1977, from Milwaukee, Wisconsin, with a bankruptcy behind him and a conviction on a minor charge. He had one qualification: in the 1960s he had played a minor role in illegal CIA spying on American students involved in protests against the Vietnam War. By 1983 he was being entertained by generals and CIA station chiefs, running a fleet of limousines and playing polo with sultans and princes.

The transformation began in 1978, when Rewald and Wong set up Bishop Baldwin in luxurious offices in the heart of Honolulu's business district—Rewald even had an indoor waterfall behind his desk. In a sworn affidavit Rewald says that to complete the cover the CIA wrote a phoney history for the company, saying that it had operated in Hawaii since

'territory days'—before Hawaii became the 50th state in 1959. The CIA also printed a false degree certificate for Rewald to hang on his office wall, and ensured he was listed as an 'old boy' in university records. Such was the CIA fiction, but, inevitably, the truth was even stranger.

Bishop Baldwin's staff sound like extras from a James Bond film. Jack Kindschi, listed in promotional literature as an 'outstanding consultant',



Jack Kindschi with Ron Rewald

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